



Maine Health Care Association

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Comments on
Draft Recommendation Report of the MaineCare Redesign Task Force

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My name is Rick Erb and I am the president and chief executive officer of the Maine Health Care Association, an organization that represents 101 of the State's 107 nursing homes. I am here today to register the Association's opposition to the task force's recommendation to eliminate MaineCare reimbursement for nursing facility bed-hold days.

First, and without question, elimination of bed-hold days as a MaineCare benefit will seriously affect providers, residents and their families. Our elderly and disabled residents should not have to live under the fear that a hospitalization or illness could preclude them from returning to the places they now call home. This is not an empty threat; it is very likely under the current system. Here's why: Maine operates with one of the highest NF occupancy rates in the country, with a median average of 93%. Vacancies that do occur are often temporary, during transition. If a bed opens up, it is often filled quickly, as most nursing homes having waiting lists. Because of the inadequacy of MaineCare reimbursement, it is critical for facilities to remain at full occupancy to survive. You should not underestimate the impact of one empty bed on a facility's bottom line.

Eliminating this reimbursement is unfair to providers who must continue to bear the same costs regardless of census. Facilities pay no less in food, maintenance, insurances, heat, and

electricity because a few residents are temporarily absent. 75% of costs in nursing homes are staffing related. Temporarily decreasing the population doesn't lead to reduced staffing levels. There is no safe, realistic way to curb expenses while a few residents are out of the building.

While the report indicates that this proposal would result in \$600,000 to the state, the overall cost to providers of losing bed hold days is \$1.8 million annually, with the federal match. A recent member survey verified the state's calculation and registered concern about implementing a policy that promises to save a relatively small amount, at great human expense. They asked: What is in the best interest of the patient? If the facility is unpaid for a bed, they may have no choice but to fill it with someone from their waiting list. Yet, these are the residents' homes. I have heard that the task force believes that Maine is the only state that pays its NFs for bed holds. A 2011 paper produced by the LTC Ombudsman Resource Center indicates that all but six make some form of payment. We are also aware of five states that are considering reducing bed-hold payments but not eliminating them entirely. The days and the amounts vary, but Maine will still be an outlier if it eliminates bed hold days.

It is well documented that Maine under-reimburses its nursing homes by over \$22 million per year already, threatening their viability. They receive an average daily rate of around \$185, which is very low in the health care world. The most recent figures I could find for MaineCare hospital rates were from 2008 and they were \$1,875 per day. If patients become backed up in hospitals as a result of this recommendation, the small amount of savings projected from this cut will quickly evaporate. We believe this to be penny wise and pound foolish. For all the reasons I described, the task force should look elsewhere for such meager savings.